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## DCI/NIO Regional Meeting -- 14 May 1986

Ceausescu: Off to Moscow With Growing Problems at Home

Mounting criticism at home and strains with the US are taxing President Ceausescu's leadership as he prepares for an important state visit to the USSR this week.

Ceausescu's trip to the USSR will make him the last Pact leader to be received by Gorbachev on a strictly bilateral setting. He will have a tough time convincing the Soviets to do anything significant to help Romania without major concessions on his part.

- He will probably make pro-Soviet statements on international issues but be wary of becoming dependent on Soviet help to stay in power.
- For their part the Soviets will look to increase their leverage in Bucharest without committing themselves to Ceausescu.

Ceausescu's Soviet journey comes at a time of growing problems for him.

- The country is short of cash to pay its bills and is approaching individual creditors for reschedulings as big bills fall due and the President will have to decide soon whether to ask the IMF for a new standby arrangement.
- Bucharest is likely to lose MFN status this summer because of its human rights violations.
- The Chernobyl disaster may have a particularly serious impact in Romania which needs crops for both export and sustaining a population already close to the margins of subsistence.

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Thinly veiled satires on stage in the capital criticize the Ceausescus and the mess they are making of the country.

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- Economic hardships increased again last winter and a sense of hopelessness rather than rising anger seems to generate this new devil-may-care attitude.

In sum, Ceausescu's persistence in economically disastrous policies may be creating the setting in which Gorbachev could find the right mixture of pressures and inducements to bring Romania back fully into the Soviet camp.

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